



U.S. Department of Justice

Fraud Section, Criminal Division

Washington, D.C. 20530

October 23, 2013

BY ECF

The Honorable Sterling Johnson
United States District Court
Eastern District of New York
225 Cadman Plaza East
Brooklyn, New York 11201

Re: United States v. Aleksey Shteyman, *et al.*, 10-CR-0347 (S-3) (SJ)

Dear Judge Johnson:

The government respectfully submits this letter pursuant to Section 5K1.1 of the United States Sentencing Guidelines to permit the Court, in its discretion, to depart downward from the applicable Sentencing Guidelines range in sentencing cooperating defendant Aleksey Shteyman (the “defendant”).

I. Personal Background and Criminal Conduct

As set forth in the Presentence Investigation Report (“PSR”), the defendant was a consultant at Solstice Wellness Center (“Solstice”) in Rockaway Park, New York from approximately January 2009 through April 2010. As the PSR indicates, an investigation revealed that employees of Solstice paid cash kickbacks to Medicare beneficiaries to induce these beneficiaries to be transported by an ambulette service to and from Solstice to receive medical services that were not actually rendered or were not medically necessary. Solstice fraudulently billed Medicare for these services. The defendant assisted in recruiting and paying Medicare beneficiaries, in addition to performing other administrative functions at the clinic. During the period he worked at Solstice, the defendant had primary responsibility for paying kickbacks to patient beneficiaries. The defendant resigned from his position at Solstice approximately a month prior to his arrest in the instant case.

Shortly after the defendant’s arrest on May 9, 2010, he admitted his role in the instant offense and began cooperating with authorities. On June 20, 2011, he pleaded guilty to Count 3 (conspiracy to defraud Medicare) of the 19-count, third superseding indictment.

II. The Guidelines Calculation

The government agrees with the Probation Department that the total offense level is 23, resulting in an advisory guidelines range of 46 to 57 months.

III. Cooperation

The defendant's initial efforts at cooperation began shortly after he was arrested in the spring of 2010. He made admissions about his knowledge of and participation in the fraud at Solstice. He gave multiple proffers to the government, providing substantial and valuable information about the operation of the fraud, as well as the identification of key targets and the roles they played in the fraud, including his brother, Dmitry Shteyman, another defendant in the instant case. The defendant's explanations of the mechanics of kickback payments at Solstice, and of his creation and use of a "kickback ledger" to keep track of payments to patients, were of particular value to the government's understanding of the operation of the scheme and the role of the patient beneficiaries in it. Had the case against the other defendants gone forward, the government would have likely called the defendant as a witness at trial.

The defendant also expressed his willingness to cooperate proactively in the instant case or in another unrelated case. The defendant has recently begun cooperating in a number of ongoing cases involving one of the patient beneficiaries identified by the defendant as being involved in the fraud at Solstice.

IV. Conclusion

The prosecution of health care fraud is a high priority for the Department, and cooperating witnesses like Aleksey Shteyman are critical to unraveling these complex schemes and bringing fraudsters to justice. Given the defendant's acceptance of responsibility and valuable cooperation, the government respectfully moves, pursuant to Section 5K1.1 of the United States Sentencing Guidelines, to permit the Court, in its discretion, to depart downward from the applicable Guidelines range.

Respectfully submitted,

JEFFREY H. KNOX
Chief, Fraud Section

By: /s/ Aisling O'Shea
Daniel Kahn
Aisling O'Shea
Trial Attorneys
(202) 353-9795

cc: Joel Winograd, Esq.